



**Investing in our Families and Communities:
Recommendations for Stabilizing the King County Regional
Human Services System**

**Report of the
Healthy Families and Communities Task Force**

June 2006

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Healthy Families and Communities Task Force (HFC)

Membership

Co-Chairs:

Councilmember Larry Gossett is a member of the Metropolitan King County Council representing District 2. He is chair of the Council's Committee of the Whole, chair of the Labor Operations and Technology Committee, vice-chair of the County Council with a focus on policy and administration, and vice-chair of the Operating Budget Committee and the Capital Budget Committee. From April 1979 to December 1993 he was executive director of the Central Area Motivation Program, one of the oldest community action agencies in Seattle. Councilmember Gossett is dedicated to the cause of equal rights and economic freedom for all people.

Mayor Kathy Keolker became Mayor of Renton in January of 2004 after serving five terms on the Renton City Council. During her time on the city council, Mayor Keolker served as president of the Suburban Cities Association, a consortium of 37 cities in King County. Her involvement in issues like transportation, human services and economic development has contributed to making Renton a key player in the region. Mayor Keolker is committed to increasing citizen involvement, including outreach to the diverse populations of the city and ensuring the quality of life for its residents.

HFC Members:

Councilmember Bob Ferguson was elected to the Metropolitan King County Council in 2003, representing District 1. His prior work experience included spending a year with the Jesuit Volunteer Corps in Portland, Oregon. As part of his year with the volunteer corps, Councilmember Ferguson lived and worked in an inner-city environment where he ran an emergency services office and tutored children from the neighborhood. Prior to his election, Councilmember Ferguson worked at the law firm of Preston, Gates and Ellis where he represented many local government entities including King County.

Councilmember Phil Noble was elected to the Bellevue City Council in 2000 and served as Deputy Mayor from 2004-2006. He currently participates as liaison to Bellevue's Human Services Commission; chairs the Eastside Transportation Partnership; and is a member of the Committee to End Homelessness in King County and the Eastside Human Services Forum, which he chaired from 2004 to 2006. He is a practicing attorney with the law firm of Helsell Fetterman, LLP where he focuses on employment law and business litigation.

Councilmember Tom Rasmussen was elected to the Seattle City Council in 2003. He has spent twenty-five years working on issues important to the people of Seattle—from transportation and the environment, to affordable housing and human rights. Councilmember Rasmussen has been a leading advocate for seniors and people with disabilities. Prior to his election, he was the director of the Seattle Mayor's Office for Senior Citizens. A long time advocate for human rights and social justice, Councilmember Rasmussen served on the board of Lambda Legal Defense and Education Fund.

Daniel Gandara, Esq. has been an attorney with the law firm of Vandenberg Johnson & Gandara since 1993. His practice area focuses on business law, including international transaction, commercial and tort litigation, and intellectual property litigation. Mr. Gandara has been involved in numerous community efforts. He is a former member of the King County Personnel Board; past president of the Capital Hill Housing Improvement Program; former member of the Seafirst Bank Hispanic Small Business Advisory Board; and former board member of the Washington State Hispanic Chamber of Commerce.

Glenn A. Gregory has served as president and portfolio manager of Obsidian Investment Advisors, LLC since founding the firm in 1998. His responsibilities include overseeing daily operations, research, investment selection, and portfolio management. Mr. Gregory's previous experience includes international business management, operations and finance, working with British Petroleum, General Motors and Microsoft. He serves on the board of Tabor 100 and is a member of the Washington Securities Advisory Committee.

Terri Kimball has been the executive director of the Domestic Abuse Women's Network (DAWN), located in south King County, since 2001. Previously, she was deputy director and chief operating officer of Senior Services of Seattle/King County. Before coming to Senior Services, Ms. Kimball was with Public Health-Seattle & King County for eight years, moving from program coordinator for the HIV/AIDS Seroprevalence Studies to interim regional division director. Ms. Kimball serves on a number of boards, including as president of the South King Council for Human Services and a member of the King County Alliance for Human Services.

Rev. Dr. James Kubal-Komoto is minister of the Saltwater Unitarian Universalist Church in Des Moines. He regularly teaches religious education classes for church members. Rev. Kubal-Komoto encourages his congregation to get involved in the larger community. The Social Justice Committee of the Saltwater Unitarian Universalist Church supports community social service efforts by preparing meals for displaced women in need of temporary assistance and raising funds for local food banks in south King County.

Sandra Madrid is Assistant Dean for Students and Community Development at the University of Washington School of Law. Dean Madrid has been with the Law School since 1989. Her responsibilities include oversight of recruitment, admissions and financial aid. Dean Madrid also provides academic and personal counseling and serves as Dean of Students and director of personnel for classified and professional staff. She serves on several national boards and numerous local boards, including the United Way of King County, the World Affairs Council, and the YWCA of Seattle and King/Snohomish Counties.

Terry Mark is the deputy director of the King County Department of Community and Human Services (DCHS). DCHS is the second largest human services agency in Washington State providing a broad array of services for the residents of King County, including affordable and special needs housing, mental health and substance abuse treatment, work training programs for at-risk youth, vocational and job placement services for adults and dislocated workers, developmental disabilities services, emergency shelter and legal aid to survivors of domestic violence and sexual assault, homeless services, and veterans services. Ms. Mark is responsible for the DCHS state and federal legislative agenda tracking human service issues. She is a

member of the King County Juvenile Justice Operational Master Plan Oversight Committee.

Patricia McInturff is the director of the Human Services Department for the City of Seattle. She has over 25 years of experience in public health and human services. Prior to her current appointment, Ms. McInturff was deputy superintendent of Seattle Parks, a visiting scholar at the Centers for Disease Control and Prevention in Atlanta, CEO of Senior Services of Seattle/King County, and director of regional services for Public Health-Seattle & King County.

David Okimoto is vice president of Community Services for United Way of King County. Prior to that he served on the United Way board for a year, as well as from 1985-1990. He has run two United Way partner agencies, the Atlantic Street Center from 1990-2001 and the Asian Counseling and Referral Service from 1977-1985. He also served under Mayor Charles Royer as the director of the Department of Human Resources for the City of Seattle. Mr. Okimoto is a lifelong human service practitioner and advocate.

Rev. Marillyn Schultz Rothermel is the pastor at the First Evangelical Lutheran Church in Bothell. The Social Ministries Program at the church works with local organizations such as Hopelink, Lutheran Alliance to Create Housing (LATCH) and Habitat for Humanity to strengthen services that support many families in need. Some of the specific ministries include providing rent subsidies to prevent families from becoming homeless, ongoing collection of food for the food bank, and the church's Change for Change program that buys many of the items needed by the food bank but infrequently donated and much-needed school supplies each fall.

Josephine Tamayo Murray has been executive director of Catholic Community Services - King County for 11 years. With more than 23 years experience in social and housing services, Ms. Tamayo Murray has been a leader in the development of affordable housing, counseling and service-enriched programs that assist elderly, disabled, low-income and homeless persons. She formerly served on the Washington State Housing Finance Commission and serves on the board of the Marymount Association for Senior Housing. Ms. Tamayo Murray is president of the board of the Seattle Economic Development Association.

Rabbi Zari M. Weiss serves as a rabbi in a variety of capacities in Seattle. She is passionately interested in and committed to the intersection of Judaism and the pursuit of justice, and has just launched a new project, Rodef Tzedek: The Center for the Pursuit of Justice, to help organize the Jewish community around the issues of justice. In addition to leading several local communities in worship, she also serves as a teacher and spiritual companion. Rabbi Weiss is immediate past co-president of the board of the Women's Rabbinic Network, chair of the Committee on Rabbinic Spirituality, and served several years on the Spiritual Leadership Task Force.

Laura Wells is director of provider services for Child Care Resources. She has worked on behalf of children in King County for over 25 years. Ms. Wells has directed two non-profit child care centers in Seattle and is a longtime member of the Child Care Directors Association of Greater Seattle, the National Association for the Education of Young Children, and the Children's Alliance. She chairs the King County Alliance for Human Services and is an active member of the Seattle Human Services Coalition Steering Committee. Ms. Wells also serves on the board of the Children's Campaign Fund.

Executive Summary

Mission

The Healthy Families and Communities Task Force (HFC) was convened by King County Executive Ron Sims in July 2005 to determine the funding gap for a defined set of regional human services approved by the Regional Policy Committee (RPC) of the Metropolitan King County Council (see Appendix A). Executive Sims also requested that the HFC recommend a dedicated source of revenue(s) to meet this need.

The HFC was formed to continue the work started by the Task Force on Regional Human Services, convened by Executive Sims to examine the regional human service system and make recommendations for how to stabilize, maintain and expand the system into the future. In its 2004 report, that Task Force recommended that a second body be formed to carry on this mission; define the charge, membership and appointment process for a regional human services board that would advise on new revenues raised for regional human services; and develop a public education process to demonstrate the importance of human services to the health and safety of King County's families and communities. The HFC assumed all of these tasks.

Veterans and Human Services Levy

At the time that the HFC was working to identify the funding gap for regional human services, the King County Council voted to include a Veterans and Human Services Levy on the November 2005 ballot to raise revenue for veterans, military personnel and their families and other low-income people in need (see Appendix B). The levy called for proceeds to be evenly divided between veterans' programs and human services programs, and called for the creation of two citizen accountability boards to oversee the funds. One of these boards was to be a regional human services board, responsible for the funds specifically dedicated for human services and the other was to focus on veteran's issues and needs.

The levy passed with a 57.92 percent favorable vote and is expected to raise about \$13.3 million annually for six years, beginning in 2006.

With passage of the levy, the HFC Task Force needed to re-evaluate its purpose, given that it was tasked with recommending a ballot measure for human services. After much deliberation and analysis of the election results (see Appendix D), the HFC determined that, while the levy raised needed funds, it would not raise sufficient revenues to *close* the funding gap for regional human services. The HFC committed to moving forward with the work of identifying another revenue source to support critically needed health and human service programs in King County.

Regional Human Services Funding Gap

Based on extensive work done by the King County Office of Management and Budget, the HFC determined that, as of Fall 2005, the regional human services funding gap is an estimated \$83.1 million (see Appendix E). This amount included funding identified in the 2006 Executive Proposed Budget. It is important to note that the gap analysis addresses only the limited set of

regional human services called out by the RPC (see Attachment A). It does not attempt to encompass the entire scope of un-met human service needs in the county.

As a first step in reducing the gap, the HFC looked to fold in new fund sources, beginning with the recently passed levy. By applying the \$6.65 million annual proceeds for regional human services to be raised by the levy, as well as \$1 million from the veteran's half of the proceeds to fund housing services for veterans and their families, the funding gap could be reduced by \$7.65 million.

In addition to the new levy revenue, the HFC identified \$2.5 million in new state funding for information and referral services. This funding will cover the \$1.3 million needed for information and referral services identified in the gap analysis.

Deducting these two new revenue sources from the total leaves an estimated \$74.15 million to be secured through other funding mechanisms.

Regional Human Services Financing Options

The HFC researched the possible funding options that were available to address the remaining \$74.15 million regional human services funding gap (see Appendix F). The HFC updated the *King County Human Services Milestones*, which provides a historical perspective of human services funding and other major highlights within the human services system (see Appendix I). There were also extensive discussions about the options that were the most feasible, given the political climate and the significant identified need for services. Based on the elections results of the Veterans and Human Services Levy and a detailed analysis of the various ballot measures previously placed on the ballot in the county over the years (see Appendices D and E), the HFC determined that the "price point" for any given property tax ballot measure is about five cents per \$1000 assessed value. From a historical perspective, this appears to be the most voters have typically been willing to tax themselves. Given this research, the HFC determined that the best strategy for addressing the remaining funding gap would be to pursue a combination of tax increases, which would, over a period of time, achieve the human services funding needed.

The HFC researched the potential taxing mechanisms that would be available to pay for regional human services (see Appendix F). A local option sales tax exists under RCW 82.14.460, which

Estimate of King County Regional Funding Gap \$83.1 million

1. Food to eat and a roof overhead.

Funding Gap: An estimated \$20.9 million for homeless housing and supportive services.

2. Supportive relationships within families, neighborhoods, and communities.

Funding Gap: An estimated \$10.5 million to address early intervention for at-risk children and youth and for community based information and referral services.

3. A safe haven from all forms of violence and abuse.

Funding Gap: An estimated \$15.7 million to address domestic violence and sexual assault services as well as violence/suicide prevention.

4. Health care to be as physically and mentally fit as possible.

Funding Gap: An estimated \$29.2 million for community health services and mental health/substance abuse services for persons in the criminal justice system.

5. Education and job skills to lead an independent life.

Funding Gap: An estimated \$6.8 million to support educational services for at-risk youth, the learning disabled, and English as a Second Language instruction.

permits a 0.1 percent county sales tax to fund new and expanded mental health and substance abuse services and for the operation of therapeutic court programs. The HFC determined that, if implemented, this sales tax option would provide the necessary funding to cover the estimated \$26.08 million needed for treatment services as identified in its fiscal analysis. This action would leave a remaining \$48.07 million funding gap, to be pursued by other tax alternative(s).

The HFC studied other known funding alternatives available and found that the only other viable source of revenue to address the remaining funding gap would be to pursue one or more property tax ballot measures over a period of time in the future.

Regional Human Services Board

As part of its ballot measure recommendation, the HFC was asked to develop the requirements for a regional human services board that would oversee the implementation of new revenue for human services and would look at best practices and improvements within the regional human services system.

The HFC knew that the Veterans and Human Services Levy created a regional human services citizen board responsible for overseeing the human services half of the levy funds, and providing advice on levy renewal or a levy replacement proposition. Given the requirement for this board, members of the King County Council and the RPC expressed concern about the HFC creating yet another board that might bifurcate the regional human services system.

The HFC expressed similar concerns and instead moved to recommend the utilization and possible expansion of the regional human services board created by the Veterans and Human Services Levy to oversee new funding for regional human services and other coordinated system improvements.

Community Education Regarding Regional Human Services

One of the most important roles assigned to the HFC was the development of a community education and awareness process that would communicate the importance of human services to the general health and safety of our families and communities.

It is evident that residents do not have an understanding of the human services that are provided by the county, nor the county's current inability to provide services to all that need them due to

"Residents do not know that the county funds human services and do not understand what human services are. Many overestimate the faith community's ability to meet all of the needs of the poor and do not understand that the county is currently unable to meet all of its human service needs."

*Rev. Dr. James Kubal-Komoto, HFC Member
Saltwater Unitarian Universalist Church*

inadequate funding. Further, King County residents do not understand that human services are a shared responsibility between the county and its many regional partners. The HFC therefore deemed it critical to engage the broader community on these issues

and pursue a public education process that strongly communicates the value of human services, as well as the current un-met need for those services across our county.

Recommendations: Financing Package for the Regional Human Services Funding Gap

The HFC recommends a funding strategy (see Appendix H) that utilizes a range of options, including sales and property tax increases to address the un-met human services needs in the county (as identified by the RPC and illustrated in Appendix A). The proposed funding package includes the following recommendations:

- **Veterans and Human Services Levy – Total estimated gap reduction: \$7.65 million**
The HFC recommends that the \$6.65 million in levy funds dedicated to human services and \$1 million of the levy funds dedicated to veteran services be used to fund a portion of the regional human services funding gap.
- **Outreach, Information and Referral Services – Total estimated gap reduction: \$1.3 million**
The State Legislature allocated \$2.5 million dollars in its 2006 supplemental operating budget for the statewide 2-1-1 line, which provides residents with information on community services. The new state funding covers the \$1.3 million gap in information and referral services identified by the HFC.
- **Mental Health and Substance Abuse Services – Total estimated gap reduction: \$26.08 million**
The HFC recommends that the King County Council approve a 0.1 percent sales tax increase by December 31, 2007 to fund the \$26.08 million funding gap identified for targeted mental health and substance abuse treatment services in the county.
- **Ballot Measure Options – Total estimated gap reduction: \$48.07 million**
The HFC recommends that the county place two or three property tax measures before King County voters, which would address the remaining \$48.07 million funding gap. The HFC further recommends that the specific timing, sequencing and content of these proposed ballot measures be decided by the County Executive and County Council after gauging voter attitude through polling research. The HFC encourages the County Executive and County Council to give these ballot measures their highest priority.
- **Other potential sources of revenue for human services**
In addition to the financing recommendations listed above, the HFC recommends that the County Executive continue to research additional funding mechanisms (such as taxes that are currently pledged to stadium debt retirement and additional license fees) as potential sources of dedicated revenue for human services. Such research will be helpful in the event that any of the recommended options fail and in order to secure future funding for regional human services.

Recommendations: Regional Human Services Board

Given the creation of a regional human services citizen board by the Veterans and Human Services Levy, the HFC recommends that the County Executive and regional partners expand the role, responsibilities and membership of the levy's regional human services citizen board to

include oversight of new revenue for human services and the coordinated system improvements outlined by the Task Force on Regional Human Services. These improvements include the establishment of common goals to galvanize the human services system; selecting best practices and measures of performance to provide accountability for funding dollars; maximizing access to services for those that need them; and assuring delivery system effectiveness and efficiency.

The HFC also recommends that Executive Sims and the King County Council consider the membership criteria identified by the Task Force on Regional Human Services when selecting nominees to participate on the regional human services citizen board, and that the board membership be expanded beyond the 12 members called for in the levy, in order to achieve greater depth and diversity in experience and perspectives on human service issues.

Recommendations: Community Education Regarding Investments in Regional Human Services

The HFC recommends an aggressive community education process that describes the human services that are available in the region and the current inability to meet these needs. This public education process would seek to communicate the value of human services, not just for those who receive assistance but also for the general quality of life in all our communities.

The following outreach tools should be used in these efforts:

- Develop materials to communicate information about human services, such as facts sheets, press releases and public service announcements
- Work with elected officials at the county and local levels to engage constituents on human services issues
- Identify speaking opportunities to disseminate information and elicit feedback from the public, such as at community meetings and working with media outlets.

Mission

The Healthy Families and Communities Task Force (HFC) was convened by King County Executive Ron Sims in July 2005 to determine the regional human services funding gap in King County and to recommend a funding mechanism to meet this need.

The HFC was established as a follow up to the previously convened Task Force on Regional Human Services, which was asked to examine the current regional health and human services system and provide practical and strategic recommendations for stabilizing, improving and maintaining the regional human services system into the future. The original Task Force recommended that a second body be formed to work toward finding solutions to the human services funding gap in the county, including:

- Identifying the amount of regional human services financing needed for the future
- Identifying a new revenue source dedicated to human services, including the requirements to be included in a future ballot measure
- Defining the charge, membership, and appointment process for a regional human services board to be responsible for administering the new revenues from the ballot measure
- Developing a public education process that demonstrates the importance of human services to the health and safety of our communities.

The set of regional human services tasked to the HFC were those approved in 2003 by the Regional Policy Committee (RPC) of the Metropolitan King County Council and defined as the *Regional Services to be Provided through a Countywide Partnership*. The services are grouped into five community goals adopted by King County, Seattle, Bellevue, United Way and the South King County Human Services Forum and are summarized in Appendix A. This is the same set of regional human services on which the work of the original Task Force was based.

Veterans and Human Services Levy

At the same time that the HFC was employing its methodology for determining the un-met regional human services need in the county, the King County Council voted to include a Veterans and Human Services levy on the November 2005 ballot to raise money for veterans, military personnel and their families and other low-income people in need (see Appendix B).

The levy passed with a 57.92 percent favorable vote and will raise approximately \$13.3 million annually for six years. The proceeds from the levy will be split in half to fund improvements to health, human services and housing for veterans, military personnel and their families and the other half to fund human services for a broader group of residents in need. The levy called for the creation of two citizen accountability boards to oversee the new funds. One of the two boards will be a regional human services board to oversee the funds dedicated for human services and the other will focus specifically on veteran's issues. Both boards will form in 2006.

The HFC spent considerable time discussing the Veterans and Human Services Levy and its impact on the main objective of the group, which was to recommend a ballot measure to increase funding for regional human services. The HFC considered the potential success of placing a human services levy on the ballot in 2006, given that the public had just voted to approve the

Veterans and Human Services Levy in 2005. Upon analyzing election results as well as data compiled on the remaining human service need, the HFC determined that the levy proceeds would help to reduce, but would not *close* the gap for un-met human services need for the set of regional human services on which it was focused. The HFC decided to proceed with its mission.

Process

The HFC convened on July 29, 2005 and met monthly through May 2006. It was composed of 17 members with diverse backgrounds and from the various geographic regions of King County. Members included county and local elected officials, representatives from the business and faith-based communities, human service providers, United Way and other community leaders.

It began its work by developing a strategic plan for determining the amount of financing needed to close the gap for regional human services in the county. This plan included utilizing the qualitative and quantitative data compiled by the Task Force on Regional Human Services. The data included information from community non-profits, faith-based organizations and government entities that provide human services in the county. The qualitative and quantitative analysis by the Task Force included extensive data about the level of need and current resources available for all of the human services in each of the five community goal areas identified by the RPC. The HFC worked with the King County Office of Management and Budget, which developed a methodology for analyzing the data compiled by the Task Force and employed econometric measures to fill in the gaps in the data collected. Based on the analysis from the data collected, the HFC was able to estimate the current regional human services funding gap for the set of regional human services identified by the RPC.

Once the funding gap amount was identified, the HFC researched and developed its recommended financing options for addressing the un-met regional human services need. The various funding alternatives and the fiscal and political feasibility of each financing option were discussed. A subcommittee of HFC members met with HFC staff to determine which of the various funding alternatives were the most viable and drafted a resolution outlining the recommended funding package to address the un-met human services need for the review of the full HFC membership.

The HFC was charged with developing recommendations for a regional human services board to provide oversight of future human services levy dollars. Since the Veterans and Human Service Levy had established a regional human services board to monitor and review the implementation of levy funds, there was considerable discussion regarding whether a separate regional human services board should be created by the HFC. A subcommittee of HFC members worked with HFC and RPC staff to develop a recommendation for the approval of the full HFC membership with regard to the roles, responsibilities and membership of the regional human services board.

A subcommittee of HFC members was also established to research the issues surrounding a public education process to communicate the importance of human services to the general public. The subcommittee developed a public education recommendation for the full HFC's approval designed to raise awareness of the regional human services in the county and the funding gap that currently restricts access to those services for many in need.

All HFC meetings were open to the public and there was opportunity for public comment at every meeting. HFC staff gave presentations to several community and human service advocacy groups and to the RPC. A Web page was established at www.metrokc.gov/dchs/hfc just prior to the first meeting and maintained with agendas, meeting summaries and work products in an ongoing effort to keep the community informed of its progress.

Findings

Regional Human Services Funding Gap

The HFC worked with the King County Office of Management and Budget to develop a methodology for determining the un-met need for regional human services in the county. The methodology, outlined in Appendix C, included analyzing the qualitative and quantitative data compiled by the former Task Force on Regional Human Services and using econometric measures to fill in gaps in data where necessary. Econometric methods are mathematical and statistical processes used to generate forecasts and estimates in the face of incomplete information. Econometric methods were used to extrapolate data from the most recent census, *Communities Count* and other studies in an attempt to identify the county population in need for each service goal area, as outlined by the previous Task Force. Econometric methods were also employed to make data adjustments to reflect seasonal variance and inflation.

Based on the econometric analysis, the HFC determined that the un-met financing need as of Fall 2005 for the specified regional human services under the HFC's consideration was approximately \$83.1 million (see Appendix E), including funding identified in the 2006 Executive Proposed Budget. This amount addressed the un-met need for the set of regional human services identified by the RPC and analyzed by the original Task Force; it does not attempt to encompass the entire scope of human services need that exists in King County.

The \$83.1 million funding gap did not include the new revenues from the Veterans and Human Services Levy approved by the voters in November. The levy raises approximately \$6.65 million each for veterans and human services programs. The HFC determined that the estimated \$6.65 million for human services should be applied to the gap, along with \$1 million of the veterans' funding to provide housing services to help veterans and their families. Utilizing the combined revenues raised by the levy reduces the funding gap by approximately \$7.65 million.

In addition, the HFC identified \$2.5 million in new funding in the 2006 state supplemental operating budget dedicated toward funding the new statewide 2-1-1 line. The 2-1-1 line provides free information on a wide range of community services for all state residents. The HFC determined that this new fund source would cover the \$1.3 million needed for information and referral services included in the regional human services funding gap analysis.

With the new revenues obtained from the Veterans and Human Services Levy and the state funding for information and referral services, the remaining funding gap would be an estimated \$74.15 million.

Regional Human Services Financing Options

Given the significant shortfall in funding, the HFC researched the possible financing options available to cover the remaining \$74.15 million funding gap (see Appendix F). Based on the election results from the Veterans and Human Services Levy, as well as research about the history of ballot measures pursued in the county, the HFC determined that the “price point” that voters are most likely to support is a five cents per \$1000 assessed value property tax increase (see Appendix E). The amount that can be raised by such a levy increase depends on the year, but in any case, does not achieve the amount necessary to cover the full remaining funding gap. For instance, in 2006 such an increase would raise an estimated \$13.3 million and in 2007 it would raise about \$14.6 million. The HFC therefore found that the best strategy for securing the remaining \$74.15 million funding gap would be to pursue a combination of tax increases over a period of time.

In order to determine the best combination of financing options to recommend, the HFC looked at the election results for the recently passed Veterans and Human Services Levy and also considered general information regarding the potential taxing mechanisms that may be available to fund human services in the county.

Veterans and Human Services Levy Analysis

- The Veterans and Human Services Levy was broadly supported, passing in 34 of 39 cities across the county.
- Turnout was consistently high across the county in the 2005 general election. Results were not skewed by turnout dynamics.
- Support for the Veterans and Human Services Levy was depressed by three or four percentage points by being on the ballot with Initiative 912 and the Seattle Monorail Project.
- Multiple tax measures on the same ballot result in higher undervote (and may impact the success of any given ballot measure).
- Broad geographic support has been present in the most consistently successful tax measures.

The HFC hoped that the election results from the Veterans and Human Services Levy would inform a decision about the potential ballot measures to recommend, as well as the preferred timing for a future ballot measure. The results showed widespread support for the levy across the county and across age and gender demographics. In addition, results showed there were negligible differences between the numbers of men and women, as well as the age ranges that voted in favor of the levy. However, it was difficult to assess the specific reasons *why* county voters supported the levy. Therefore, the elections analysis was most helpful in determining that research would be necessary to help make the best decisions about the type and amount of financing options to pursue in the future.

The HFC also explored other potential taxing mechanisms to pay for these much needed human services (see Appendix F). Sales, property and stadium taxes (sales tax components in certain tourist industries currently pledged to stadium debt service) were all considered as possible sources of funding for regional human services. It was determined that the stadium taxes were not a viable funding option, since these would be used to fund the football stadium (Qwest Field) until about 2020. The HFC would generally support the use of stadium taxes to fund regional human services if the opportunity lends itself in the future. For now, the HFC decided to focus on sales and property tax increases as the more viable alternatives to fund human services.

Broad concern was voiced regarding the possibility of increasing the sales tax to pay for human services. Sales tax increases are generally volatile and highly regressive. HFC members were uneasy about the impact a sales tax increase would have on the county's low-income residents. However, given the limited options for reducing the extensive human services funding gap, the HFC decided that, despite these concerns, they would have to examine the possibilities of a sales tax increase to fund needed services.

Since sales tax increases are authorized by the state, the HFC looked to state law for sales tax revenue to fund human services. Two possibilities were identified. The first option was a countywide, 0.1 percent sales tax increase to fund new or expanded mental health and substance abuse services and therapeutic courts as authorized under RCW 82.14.460. This sales tax increase is councilmanic and, therefore, does not require a vote by King County citizens. Both the King County Mental Health Board and the King County Alcoholism and Substance Abuse Board have written the King County Council in support of this sales tax increase. If implemented, it would generate approximately \$47 million in King County.

The second option was a countywide, 0.3 percent sales tax increase allowed under RCW 82.14.450. This statute requires that 40 percent of collections be distributed to cities within the county, and another third of revenue must be allocated to criminal justice programs. This option would require voter approval at a future primary or general election.

Serious consideration was given to the advantages and disadvantages of pursuing each of these two potential sales tax increases. In its fiscal analysis, the HFC identified an estimated \$26.08 million funding gap for mental health and substance abuse services for homeless people, mental health and substance abuse diversion services for high-risk youth and adults in the criminal justice system, and other counseling and supportive services for low-income populations (see Appendix E). It has also been well established that, in general, the mental health and substance abuse service systems are woefully underfunded statewide, leaving many unable to access the treatment they need. The HFC determined that, if pursued by the County Executive and the County Council, the 0.1 percent sales tax increase would provide the necessary funding to cover the \$26.08 million funding gap for targeted counseling and substance abuse services, as well as some additional desperately needed funding for mental health and substance abuse treatment services and therapeutic court services. Utilizing the 0.1 percent option would also reduce the overall funding gap to an estimated \$48.07 million.

The only other viable taxing option identified by the HFC to reduce the funding gap for the identified set of regional services was a property tax increase. Given the HFC's determination that the target price point of about five cents per \$1000 assessed value should be used in order to maximize the chance of a successful public vote, the HFC called for a set of property tax ballot measures in the future to fund the remaining \$48.07 million gap.

Regional Human Services Board

In addition to recommending a funding mechanism to fill the regional human services funding gap, the HFC was tasked with the creation of a regional human services board that would look at ways to establish common goals and best practices within the human services delivery system,

maximize access to services, and promote system efficiencies. A regional human services board would also provide a much-needed administrative infrastructure to review and maintain the regional human services delivery system, reduce duplications in the system, and help guide the allocation of resources to reflect the needs of the community.

The HFC studied the regional human services citizen board created by the Veterans and Human Services Levy. The requirements of that board include a membership of 12 persons, one to be nominated by each of the nine councilmembers and three at-large members to be appointed by the Executive, all subject to County Council confirmation. The Executive appointees must be people who are either poor or represent the poor and must be from three specific geographic areas of King County: south, east, and north King County and Seattle. King County Ordinance 15406, which details the implementation of the levy, directs the County Executive to provide a description of the roles and responsibilities for both citizen boards (see Appendix G).

The HFC found many structural similarities between the board the HFC was tasked with developing and the board created by the Veterans and Human Services Levy. Both call for a small, diverse and balanced membership to include representatives from stakeholder communities. Similarities are also found regarding board missions and roles. The HFC board would advise on new funds for regional human services and improve system efficiencies and outcomes as well as establish best practices and common goals. The levy's regional human services board will monitor and review the expenditure of the human services levy funds, make recommendations regarding any changes necessary to achieve the goals for use of the funds, and provide

advice to the County Council and the County Executive on whether to renew the levy or propose a replacement proposition in its place.

Comparison of the Regional Human Services Boards

Veterans and Human Services Levy

- 12 members, nine nominated by King County Council and three appointed by the County Executive
- Executive's appointments must be people who are poor or represent the poor
- Regional and diverse representation
- Oversee levy funds dedicated to human services
- Make recommendations to achieve goals set forth in levy language
- Advise on levy renewal or human services replacement proposition

Healthy Families and Communities Task Force

- 7-15 members
- Regional and diverse representation
- Oversee new human services funding
- Implement coordinated system improvements as outlined by the Task Force on Regional Human Services (see HFC recommendations for a regional human services board)

The King County Council and the RPC expressed concern over the lack of efficiency of the current human services system and, as such, cautioned against establishing multiple regional human services boards that could divide the system. The HFC expressed similar concerns and decided upon the utilization of the regional human services citizen board created by the Veterans and Human Services Levy, with some proposed expansion of roles, responsibilities and membership.

Community Education Regarding Investments in Regional Human Services

The HFC was tasked with the development of a public education process to promote the

importance of human services to the health and safety of families and communities. The HFC recognized and stressed the importance of educating residents about the human services that are available throughout King County, as well as the importance of receiving feedback from the community as to whether or not county services are meeting their needs. They looked to the current efforts beginning in the county as coordinated by the members of the Committee to End Homelessness in King County that are working to engage residents and local government to help determine and create the services and funding needed to truly end homelessness across our region. A similar countywide effort is needed to involve citizens in human services issues.

The HFC is aware that there are many critical and essential human service needs among the poor and disadvantaged in King County, but believes that many in our community do not know that the county funds human services, or that there is a funding gap. Many residents simply do not know or understand that need currently outstrips funding for many vital services.

**HFC Findings:
Community Awareness and the Need for Public
Education**

- There is a lack of community awareness regarding human services and the un-met need for assistance.
- There is a lack of understanding with regard to funding gaps and the resulting inability to provide for all human services needs.
- Human services are necessary to improve the quality of life for all our residents and communities.
- Community education is vital to achieving a long-term solution for regional human services.

Further, county residents often do not understand that it is necessary to engage the broader community in order to identify gaps and human service needs.

The HFC feels that it is imperative to conduct community education and outreach efforts aimed at helping citizens become more aware of the need for human services in the county and the value of these services to all our residents.

Recommendations

Recommendation: Financing Package for the Regional Human Services Funding Gap

It is critical to put in place a funding package that addresses the funding gap as quickly as possible. The longer it takes to find dedicated sources of revenue to close the gap for regional human services in the county, the greater the funding gap will become. The \$83.1 funding gap identified is estimated as of Fall 2005. If this gap is not addressed, it will continue to increase over time, as will the need for services.

Based on its work, the HFC determined that the best strategy for securing the \$83.1 million funding gap for regional human services would be to pursue a combination of a sales tax and a set of property tax increases over a period of time. The HFC approved a resolution (see Appendix H) detailing its recommendations.

"There are many critical and essential human service needs among the poor and disadvantaged in King County. We must find a way to help our citizens access the services they need for a better quality of life."

*King County Councilmember Larry Gossett
HFC Co-Chair*

Following is the HFC's funding package to address King County's un-met regional human services need:

- **Veterans and Human Services Levy – Total estimated gap reduction: \$7.65 million**
The HFC recommends that the Veterans and Human Services Levy funds dedicated to human services, approximately \$6.65 million, be applied in whole to the regional human services gap. In addition, the HFC recommends that a portion of the levy proceeds dedicated to veteran's services in the amount of \$1 million also be applied to the funding gap and used to address special needs housing services for veterans.

- **Outreach, Information and Referral Services – Total estimated gap reduction: \$1.3 million**
The regional human services being considered by the HFC includes \$1.3 million for outreach, information and referral assistance to improve access to community services in the county. The Washington State Legislature allocated \$2.5 million in its 2006 supplemental operating budget for the statewide 2-1-1 line, which provides residents with information on community services. The new state funding covers the \$1.3 million gap in funding needed to ensure adequate access to needed services.

- **Mental Health and Substance Abuse Services – Total estimated gap reduction: \$26.08 million**
Mental health and substance abuse services have been traditionally underfunded by the state, resulting in limited access to treatment for many needy people, including but not limited to those who are homeless, exiting jails or prisons, or discharged from hospitals.

In 2005, the Legislature approved RCW 82.14.460 allowing counties to impose a 0.1 percent sales tax increase to augment state funding for mental health and substance abuse services that may be used to fund new or expanded treatment services and therapeutic court programs. This sales tax increase, which would raise an estimated \$47 million in King County, requires a vote by the County Council but does not require voter approval.

The HFC identified a \$26.08 million funding gap for mental health and substance abuse services for homeless people, mental health and substance abuse diversion and transition services for high-risk youth and adults in the criminal justice system, and other counseling and supportive services for low-income people.

The HFC recommends that the King County Council approve a 0.1 percent sales tax increase by December 31, 2007 to fund the \$26.08 million unmet need for mental health counseling and substance abuse services for these target populations.

- **Ballot Measure Options – Total estimated gap reduction: \$48.07 million**
A funding gap of \$48.07 million remains after deducting the \$7.65 million from the Veterans and Human Services Levy, \$1.3 million from the state funding for the information and referral services and \$26.08 million from the mental health and substance abuse services sale tax increase. The HFC recognizes that the most viable vehicle for funding the remaining gap is a property tax increase.

The HFC recommends that the County Executive develop a clear and cohesive strategy to place two or three property tax measures before the voters over time, which together will close the remaining \$48.07 million gap. The HFC understands that many variables will contribute to a ballot measure's success, including the ballot language and the number of tax measures that appear before the voters. Therefore, the specific timing, sequencing and content of these proposed ballot measures should be decided by the County Executive and County Council after gauging voter attitude through research such as polling and focus groups. The HFC encourages the County Executive and County Council to give these ballot measures their highest priority.

- **Other potential sources of revenue for human services**

In addition to the financing recommendations listed above, the HFC recommends that the County Executive continue to research additional funding mechanisms (such as taxes that are currently pledged to stadium debt retirement and additional license fees) as potential sources of dedicated revenue for human services. Such research will be helpful in the event that any of the recommended options fail and in order to secure future funding for regional human services.

Recommendation: Regional Human Services Board to Oversee Human Services Funding

Given the similarities that exist between the structure and roles of the regional human services citizen board created by the Veterans and Human Services Levy and the advisory board tasked to the HFC, the HFC suggests that the regional human services citizen board created by the levy be utilized to serve both functions, with modifications noted below.

The HFC recommends that the County Executive and regional partners expand the role, responsibilities and membership of the regional human services citizen board created by the Veterans and Human Services Levy to include oversight of new revenue for human services and the following coordinated system improvements (most are taken from the Task Force on Regional Human Services final report):

- Identify countywide indicators of health and well being that will be used to evaluate achievements of goals, building on the *Communities Count* project
- Establish common principles and goals that galvanize the system
- Select best practices and measures of performance
- Standardize common constructs and language, definitions, data sets, and measurement tools
- Take into consideration the gaps and funding allocations by subregion (Seattle, north, east and south county) to ensure that funding follows need
- Identify gaps and possible duplications in the delivery system
- Address policy and other barriers to efficient use of current services (e.g., food stamps)
- Use of existing entities, such as King County, Public Health-Seattle & King County, City of Seattle or United Way for planning support and as fiscal/system administrators for specific service areas, building on their broad base of programming and the capacity to contract for and oversee system services
- Maximize access to services for those who need them and assure delivery system effectiveness and efficiency

- Produce data on overall performance
- Establish a Continuous Quality Improvement mechanism that uses the data to improve performance
- Coordinate joint county/city proactive advocacy to influence state and federal policy on key issues that affect regional and local services
- Facilitate flexible and integrated use of resources across programmatic service areas to strategically address overarching goals
- Coordinate region-wide efforts with local decision making
- Maximize access to, and promote flexible and coordinated use of, state and federal funds.

Further, the HFC recommends that the King County Executive and County Council nominate and appoint members to the regional human services board that meet criteria described by the Task Force on Regional Human Services for a regional and diverse representation.

Finally, the HFC asks that the King County Executive and County Council explore a means of expanding the membership of the board beyond the twelve called for in the levy, in order to provide for a broader range of perspectives and geographic diversity.

Recommendation: Community Education Regarding Investments in Regional Human Services

The HFC believes it is critical to develop an aggressive community education process regarding our investments in human services, the growing demand for services amongst our poorest residents and the extent to which we are unable to meet these needs. The HFC recommends that the following outreach tools be used in these efforts:

- **Develop materials to communicate information about human services through**
 - Fact sheets
 - Press releases
 - Public service announcements.
- **Work with elected officials to engage constituents on human services issues, including**
 - King County Council and its Law, Justice and Human Services Committee and the Regional Policy Committee
 - Mayors, city councils and other government officials in all 39 municipalities and the Suburban Cities Association.
- **Identify speaking opportunities to disseminate and gather information such as:**
 - Community meetings, including non-profits focused on human services, faith-based organizations, community centers, education groups, service organizations, business associations, and other venues
 - Opinion pieces and editorials in key newspapers and other publications
 - Television and radio community affairs and talk shows.

Conclusion

The HFC recognizes that there are no easy solutions toward addressing the un-met need for critical regional human services in King County. As we continue to face challenges to our economy, we may find it harder and harder to meet the growing demand for services. In the face of these challenges, we must continue our commitment to closing the funding gap for services and helping our most vulnerable residents. The HFC believes the proposal outlined in its report is a step in the right direction. The HFC encourages the King County Executive and County Council to give its recommendations serious consideration and urges local governments, stakeholders and the broader community to continue to explore innovative ways to fund much needed human services and create opportunities for all of our residents to live healthy, productive and meaningful lives.

“Providing human services is not a job to be left to a single city government, but rather is a county-wide responsibility. In the future, we must work across jurisdictional boundaries toward the ultimate goal of guaranteeing all King County residents access to affordable housing, food, health care, and support services.”

*Mayor Kathy Keolker, City of Renton
HFC Co-chair*